



AGRICULTURAL BULLETIN

PUBLISHED IN THE INTERESTS OF REAL ESTATE ANALYST SUBSCRIBERS BY

ROY WENZLICK & CO.

Real Estate Economists, Appraisers and Counselors

AUGUST 25
1952

Volume XXI

Copyright 1952 by ROY WENZLICK & CO. - Saint Louis

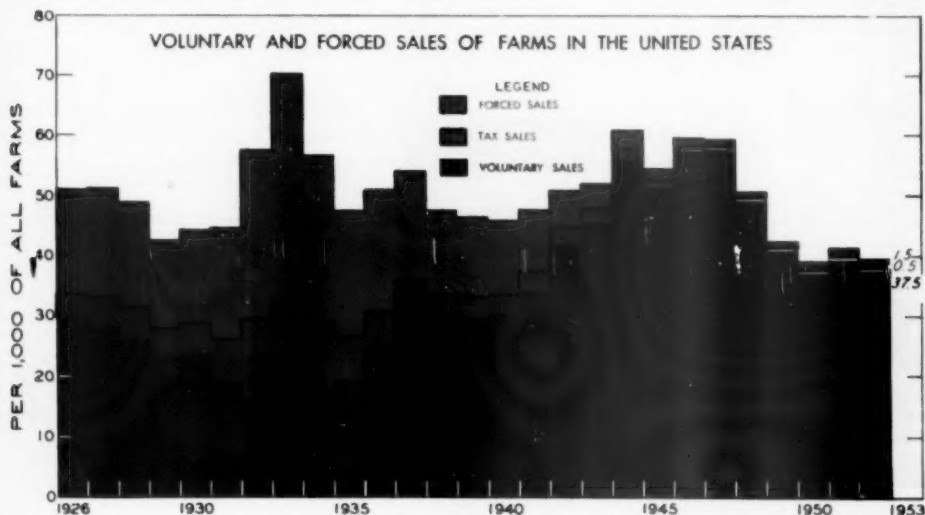
Number 36

FARM REAL ESTATE ACTIVITY DOWN 35%

DURING the period between March 1951 and March 1952 the national farm real estate activity index moved down. This index is based upon the number of voluntary sales per 1000 farms, and it fell from 39.4 (sales per 1000 farms) to 37.5. It is, therefore, 20.2 points, or 35%, below the 1947 peak, when 57.7 farms out of every 1000 voluntarily changed hands. This downward trend has been going on, with only one slight interruption, since 1947, and indications are that it will continue for several more years.

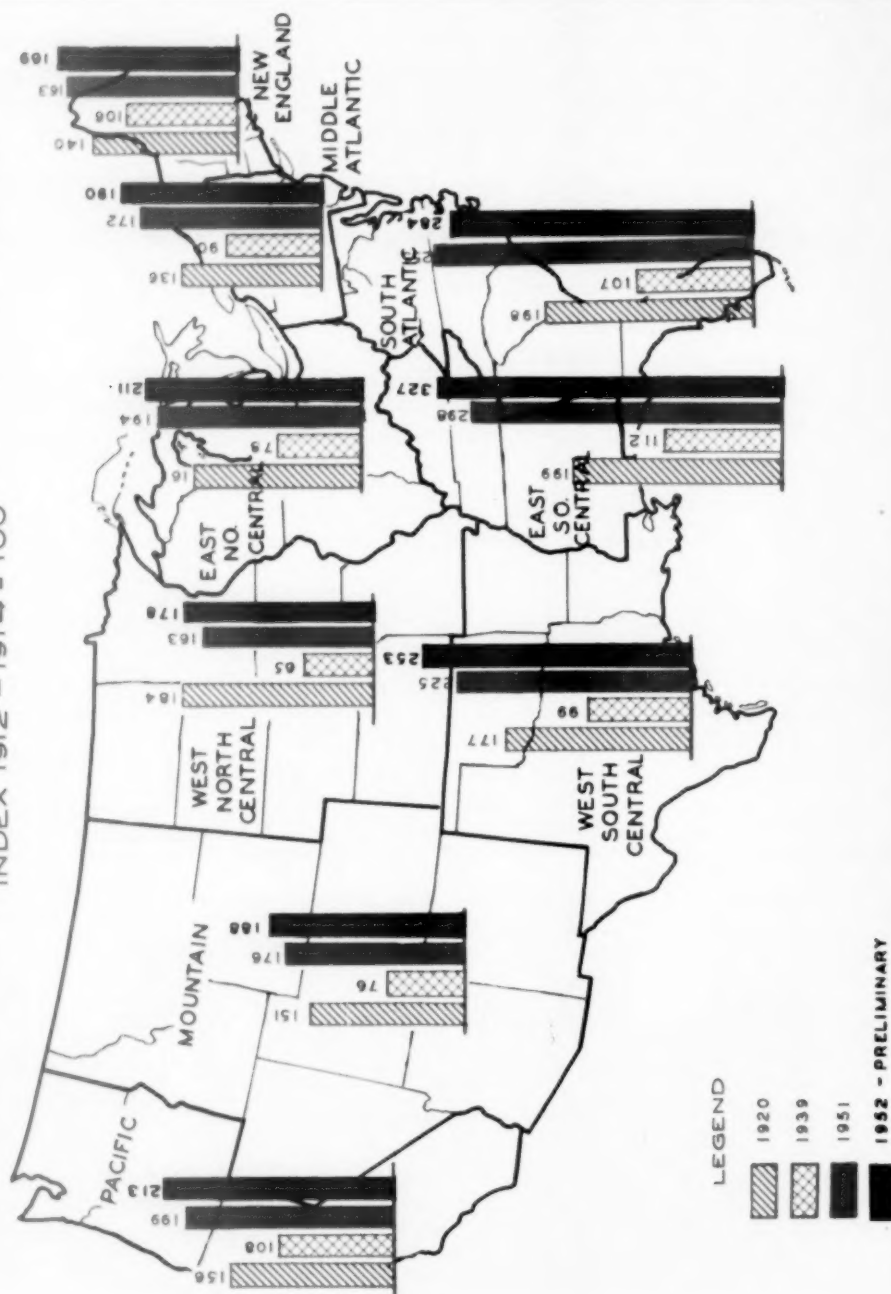
The chart below shows what activity has taken place in voluntary and forced sales of farms from 1926 through 1952 (yearly figures are all for year ending in March). Therefore, the last bar on the chart represents the activity for the March 1951-March 1952 period.

Despite the downward trend, farm real estate activity is still high. Highest activity is found in California, where 61 farms per 1000 were voluntarily transferred. In second place was Oregon, with an index of 60. Arkansas was third, with 58, and Washington and Arizona were fourth and fifth, with indexes of 56.5



FARM REAL ESTATE VALUES IN THE UNITED STATES BY REGIONS

INDEX 1912 - 1914 = 100



and 56, respectively.

Poorest activity was found in North Dakota, 21.3; North Carolina and Louisiana, 21.8 each; South Carolina, 23.4; and, peculiarly enough, Illinois, where only 26.4 farms per 1000 voluntarily changed hands.

Although the drop in farm real estate activity has been 35% since the peak, the drop during the past year has been only 4.8%. This decline during March 1951-March 1952 has been fairly widespread. There were 30 States where farm activity fell below the 1951 level.

The biggest drops for this past year were recorded in North Dakota, -36%; Minnesota, -28%; South Dakota, -24%; and Iowa and Idaho, -19% each.

Of the 18 States that recorded increased farm real estate during the last year, New Hampshire's gain of 16% was the greatest. Maine showed a gain of 13%, Vermont and Massachusetts, 11% each, while Arkansas gained 10%. California and Oregon, both right at the top in farm real estate activity, had gains of 6% and 7%, respectively.

The drop in farm real estate activity since 1947 has struck hardest among the so-called "farm States." In North Dakota this drop has already reached 72%, and in South Dakota, 55%. Activity in South Carolina is 53% below its postwar peak, and Tennessee has seen a fall of 52%. A sizable drop of 48% has occurred in each of the following States: Minnesota, Iowa, Nebraska, West Virginia and Kentucky.

On the other hand, there are several States that have shown little, if any, downward trend in recent years. Farm activity in Vermont, Rhode Island and Connecticut is still moving up. In Arizona it is only 7% below its peak level, and in New Mexico and Florida it is only 8% off its peak.

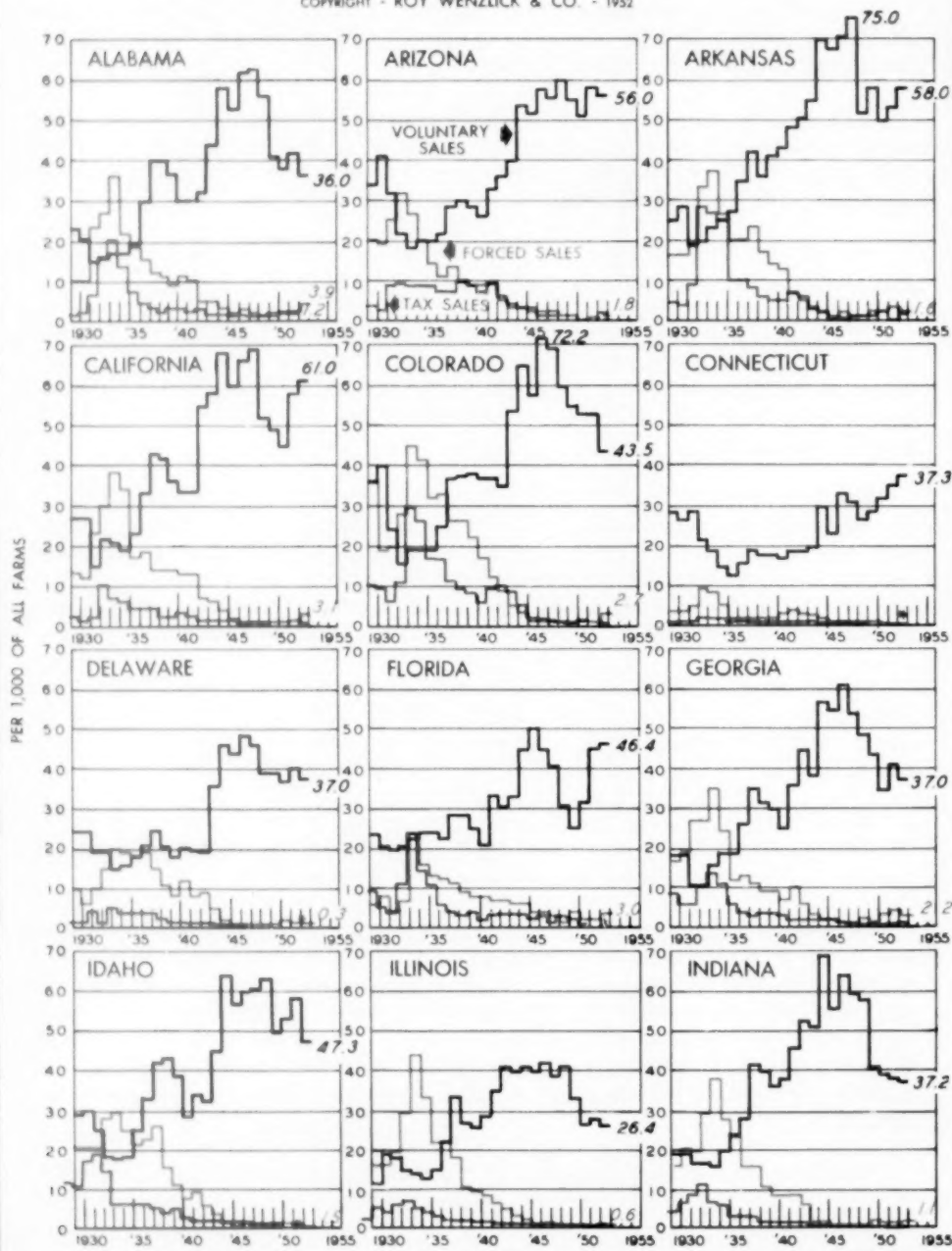
Farm land values have continued to move upward. There was a rise of over 9% (nationally) in the average value per acre during the March 1951-March 1952 period. Although still going on, it has slowed down recently.

Increases in farm land values occurred in each of the 48 States during the last year. In this period the average value per acre of Maryland farm land rose 14.5%. This was the biggest rise. In second place was Texas, where the average value per acre rose 14.3%. Next came Delaware, up 14%; then North Dakota, up 13.6%; then New Jersey and South Dakota with increases of 12.7% and 12.5%, respectively. The smallest gains were made in the northeastern section of the country. For example, the average value of Maine's farm land advanced less than 1%.

With a number of very important and interesting exceptions, farm land values
(cont. on page 352)

VOLUNTARY AND FORCED SALES OF FARMS IN 48 STATES

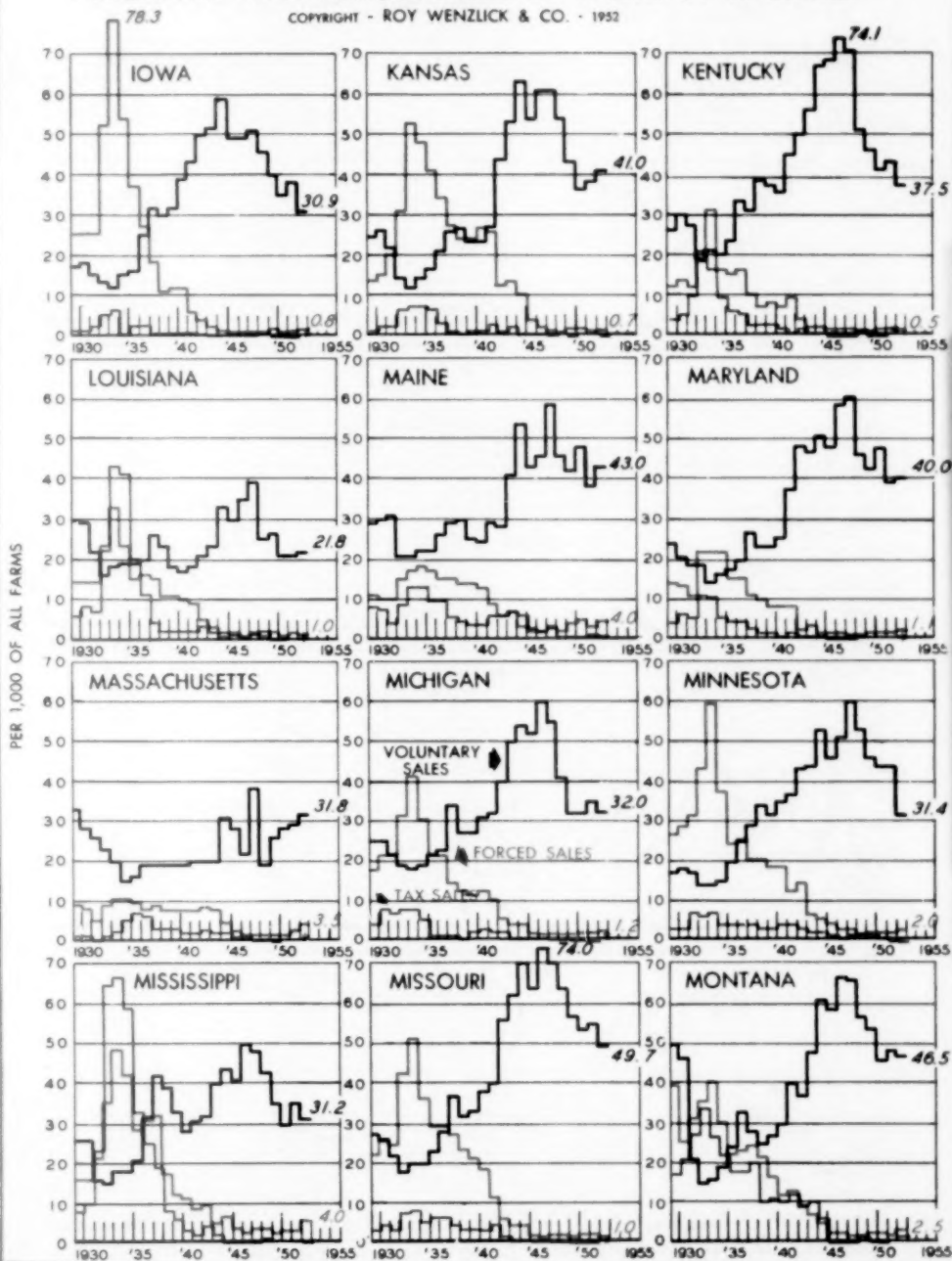
COPYRIGHT - ROY WENZLICK & CO. - 1952



** NONE REPORTED

VOLUNTARY AND FORCED SALES OF FARMS IN 48 STATES

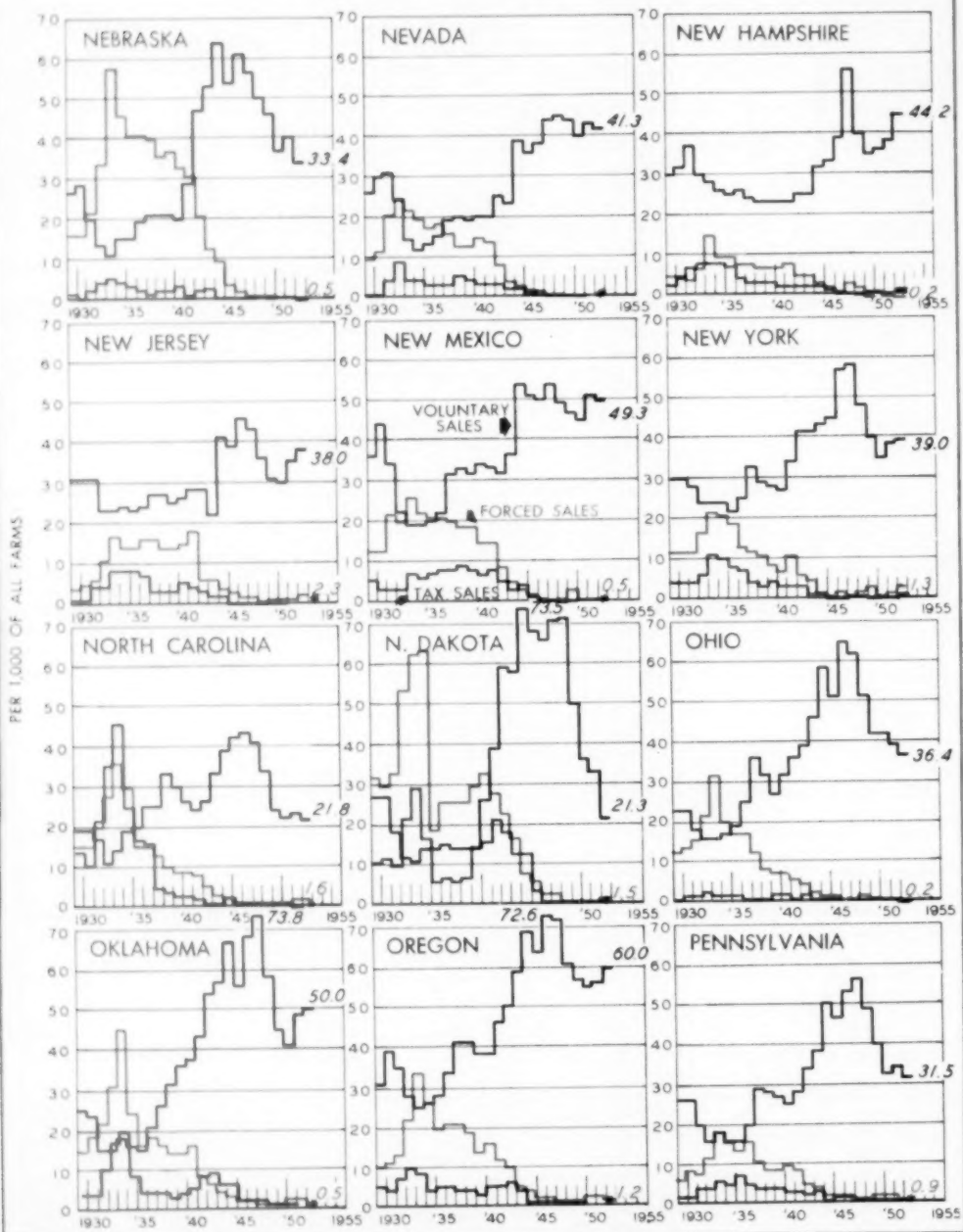
COPYRIGHT - ROY WENZLICK & CO. - 1952



* NONE REPORTED

VOLUNTARY AND FORCED SALES OF FARMS IN 48 STATES

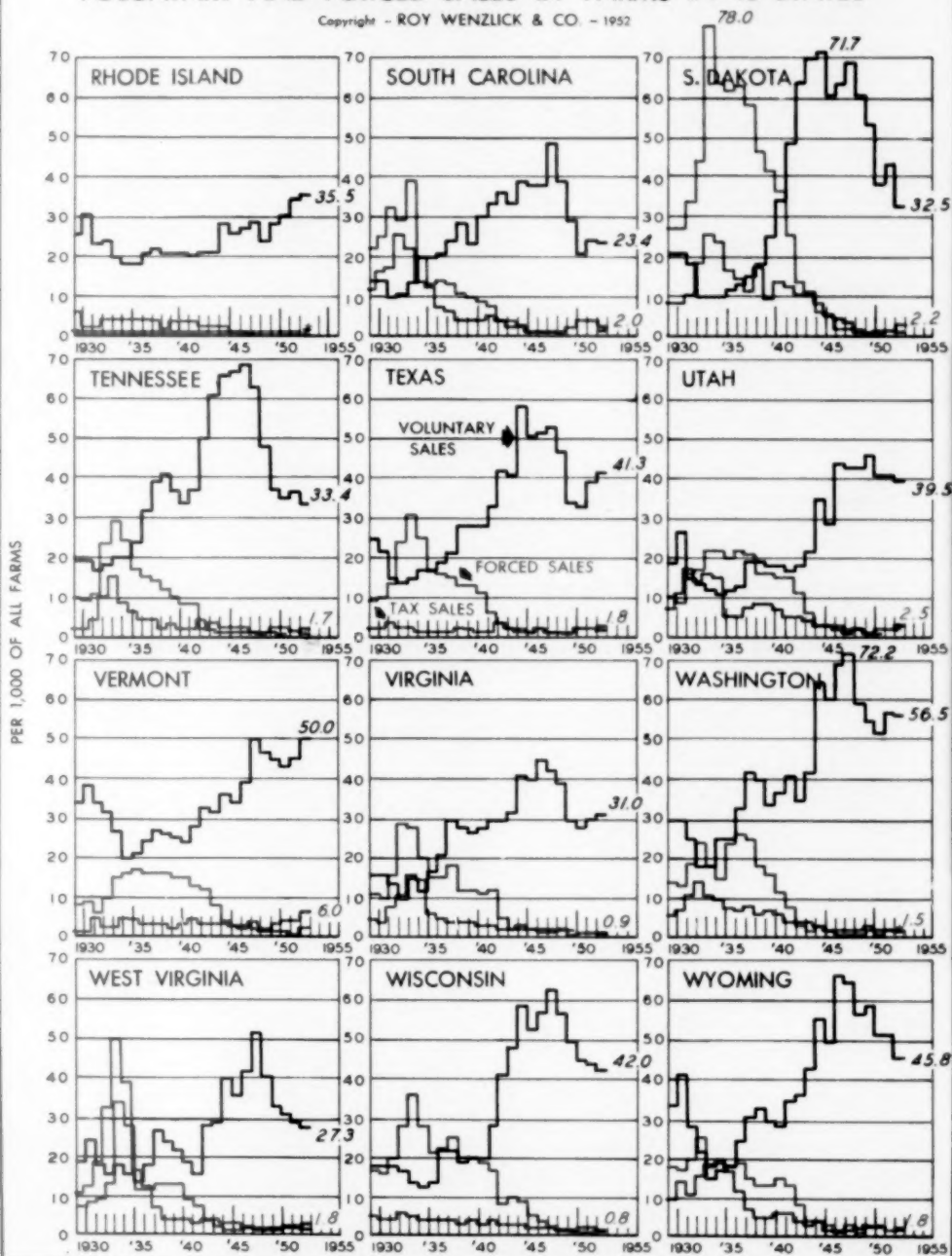
COPYRIGHT - ROY WENZLICK & CO. - 1952



* NONE REPORTED

VOLUNTARY AND FORCED SALES OF FARMS IN 48 STATES

Copyright - ROY WENZLICK & CO. - 1952



* NONE REPORTED

(cont. from page 347)

are at an all-time peak in every State in the Union.

The first of those exceptions is the group of States made up of Minnesota, Iowa, Missouri, North Dakota, South Dakota and Nebraska. Farm values per acre in these States have not yet reached the giddy heights they occupied in 1920. It is unlikely that they will.

The second exception is found among the 8 Rocky Mountain and 3 Pacific Coast States.* Farm land values in these 11 States all reached a peak in November 1951, and have moved slowly downward since then. Perhaps you will remember that during the pre-Korean decline in farm land values, the first and biggest drops began in the West and moved east across most of the country.

In 1948 we said that farm land values were about as high as they would go. They rose only 3% during the next year and started down. They fell $3\frac{1}{2}\%$ in 1950; then the Korean War touched off this latest big rise. It now looks as though the stimulation of the Korean War has about run its course insofar as farm land values are concerned. It would not be surprising to see farm land values start down slowly some time during the next 6 to 9 months.

*Montana, Idaho, Colorado, Wyoming, Utah, Arizona, New Mexico, Nevada, California, Oregon and Washington.